

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN

In re:

Chhatrala Grand Rapids, LLC

Chapter 11 Proceeding
Case No. 19-03908-jtg

Debtor.

**AFFIDAVIT OF DAN YEOMANS IN SUPPORT OF MOTION BY RECEIVER TO EXCUSE
COMPLIANCE WITH 11 USC §543**

STATE OF MICHIGAN)
)ss.
COUNTY OF KENT)

I, Daniel Yeomans, being first duly sworn, deposes and states as follows:

1. I am an individual over the age of 18 and a resident of Kent County, Michigan.

2. I have personal knowledge of the facts contained in this Affidavit and, if sworn as a witness, can testify competently as to those facts. I have reviewed and am personally familiar with the documents referenced in this Affidavit.

3. I am the principal of Amicus Management, Inc., a Michigan corporation ("Amicus" or "Receiver").

4. On August 22, 2019, Amicus was appointed as Receiver for Chhatrala Grand Rapids, LLC, a California limited liability company ("Debtor"), by the Honorable Christopher P. Yates of the 17th Judicial Circuit Court (Kent County) in Case No. 19-07367-CBB). A copy of the order and extension of the order are attached to the Brief as **Exhibit A** ("Order").

5. Among other powers, the Order vests the Receiver with control of the voting rights and member interests of the Debtor as well as sole authority to perform any act on behalf of the Debtor. Please see ¶3 of the Order.

6. Based on my review of public records, on or about February 11, 2019, Surinder S. Bhogal affirmatively dissolved Debtor's limited liability company with the State of California on the basis of a 50% or more vote to dissolve. See the dissolution attached to the Brief as **Exhibit G**.

7. Since acting as Receiver, I have reviewed the budget related to the operations of the Debtor.

8. While the Debtor's acting budget shows net profit in some months, the budget does not account for the payment of any debt service to either of the secured creditors, nor does it take into account accrued accounts payable.

9. Further, the Debtor has failed to pay \$75,774.78 due to Intercontinental Hotel Group ("IHG") for July franchise fees; August franchise fees due to IHG will be in the range of \$75,000.00. Debtor has failed to pay personal property taxes of \$49,309.00 for the 2019 summer bill. The CVB tax for July is outstanding in the amount of \$23,827.97 with August expected to be due in a similar amount. Further, Otis Elevator is owed \$5,729.48 dating back to June 1, 2019. If Otis doesn't service the elevators as a result of non-payment, there will be serious operational issues.

10. Presently, the true payables are in excess of \$650,000.00.

11. Debtor is in jeopardy of losing its flag with IHG as a result of its failure to implement a required property improvement plan ("PIP") under its agreement with IHG. The cost of the PIP is believed to be in the range of \$14,000,000. Please see the letter from IHG to the Receiver attached to the brief as **Exhibit H** as well as the property improvement plan estimate attached to the Brief as **Exhibit I**.

12. Recently Debtor loss one airline as a result of the condition of the property and another that did not want to stay at the property during renovations. These losses further adversely impact the bottom line.

13. The Bhogals have commingled funds, using hotel receipts and other income generated from the operations of the hotel for personal expenses instead of satisfying accounts payables, debt service and/or property taxes. For example, based on my review of the motion for appointment of Receiver filed in the circuit court action, they have written checks from the business accounts of the Debtor to pay a \$30,000.00 down payment to a luxury car dealership located in Newport Beach, California, recently paid education expenses out of the business accounts in amounts in excess of \$3,000.00 an \$5,000.00, and following notice of default and acceleration from their largest creditor, Access Point Financial, LLC, transferred out \$80,000.00 for their own apparent personal use.

14. On September 14, 2019, the summer real property tax bill in excess of \$125,000.00 became due with no source to pay the same. Personal property taxes in excess of \$49,000.00 also remain unpaid.

15. Further, in violation of the liquor license and accompanying special permits issued by the Michigan Liquor Control Commission, Debtor has been using a different entity, Bhogal Enterprises, LLC ("Bhogal") to buy and sell alcohol spirits and taking payments for such in the name of Bhogal. This could result in a suspension and/or loss of the liquor license and special permits at the property.

16. Based on my review of the documents referenced herein, Debtor is insolvent and the entity will not have a positive cash flow taking into account debt service, payment

of real and personal property taxes and the need for implementation of the PIP that is required to preserve its flag with IHG.


17. The assets have been mismanaged by the Debtor and the assets will continue to lose value should they be turned back over to the Debtor.

18. It is in the best interests of Debtor's creditors to leave the Receiver in control and custody of the assets of Debtor.

Further, Affiant sayeth not.


Daniel Yeomans

Subscribed and sworn to before me this 17th day of September, 2019


Starrla K. McDonald, Notary Public
Kent County, Michigan
My Commission Expires: 09.07.22
Acting in Kent County, Michigan

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